United Nations A/C.2/52/SR.12

General Assembly
Fifty-second session

Official Records

Distr.: General
7 November 1997

Original: English

Second Committee

Summary record of the 12th meeting
Held at Headquarters, New York, on Monday, 20 October 1997, at 10 a.m.

Chairman: Mr. de Rojas ..... (Venezuela)

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97-82138 (E)

The meeting was called to order at 10.15 a.m.

Agenda Item 99: Operational activities for development (A/52/39, A/52/112, A/52/114-E/1997/46, A/52/115-E/1997/47, A/52/318, A/52/447-S/1997/775, A/52/636-E/1996/104, A/51/655-E/1996/105)

(a) **Operational Activities for Development of the United Nations System** (A/52/114, A/52/115, A/52/431, A/52/413, A/52/457)

(b) **Economic and Technical Cooperation Among Developing Countries** (A/52/400, A/52/402, A/52/413)

1. **Mr. Haemmerli** (Chief, Operational Activities for Development Unit, Department of Economic and Social Affairs) introduced the report of the Secretary-General on funding modalities of operational activities for development as requested by the Economic and Social Council (A/52/431). The report updated several previous reports on the subject submitted pursuant to General Assembly resolution 48/162. As indicated in the report, the scope for exploring new funding modalities was relatively circumscribed. In the course of the review of options, a number of countries had expressed their preference for the current funding modality, while the Secretary-General was of the view that Member States should consider establishing a new system of core resources consisting of voluntary contributions and negotiated pledges to be appropriated in multi-year tranches.

2. General Assembly resolution 50/227 had clarified the role of the executive boards of the funds and programmes in the area of funding. The boards had established funding targets, and the tables in the annex to the report showed that contribution levels were well below the requirements to meet those targets. Moreover, the proportion of non-core resources continued to increase and currently constituted the greatest part of the funding of operational activities.

3. Consideration of the question of a new funding modality was thus taking place in a situation of continuing declines in core resources. Some additional steps would be needed if the goal of achieving predictable and assured contributions was to be reached. Moreover, the increase in the proportion of non-core and supplementary resources added a further element of instability, in that a small number of donors contributed over 90 per cent of resources. It might, therefore, be useful for the Committee to examine why non-core resources appeared to be favoured increasingly by some countries, in order to evolve a more effective funding modality that broadened the contribution base. In that connection, it should be recalled that the triennial policy review of operational activities, which undoubtedly would consider resources and funding, would take place at the fifty-third session of the General Assembly.

4. **Mr. Sakbani** (United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Secretary-General on the state of South-South cooperation (A/52/402), said that the past three years had witnessed an active evolution of South-South cooperation at all levels and in all sectors. The era of globalization was also an era of increased cooperation among regional, subregional and interregional groups. The report attempted to answer questions regarding the compatibility between regionalism and globalization, and, on a preliminary basis, found that regional cooperation efforts actually contributed to globalization and liberalization, as long as they were open and flexible.

5. With regard to sectoral cooperation, the picture that emerged was both encouraging and disappointing. After a slack period in the mid-1980s, developing country exports had expanded rapidly from 1990 to 1995, and trade among developing countries had increased at more than twice the rate of world trade. Trade and investment cooperation had been most successful in the Asian region, and in Latin America, structural and policy reforms, which had turned around the region's economic performance, also seemed to have given momentum to regional cooperation. But in both Africa and the Middle East, cooperation efforts had been modest and had encountered many difficulties that must be addressed with specific policies.

6. A number of conclusions could be drawn from the report. First, economic cooperation among developing countries thrived in regions that were increasing their participation in the global economy. The liberalization process, which had anchored globalization, had also given life to South-South cooperation. It could be concluded, moreover, that there were autonomous centres of growth in the developing countries that were contributing an increasing share to the health and buoyancy of the global economy. Thus, South-South cooperation was becoming one of the international commons which engaged the interests of all members of the world community.

7. In conclusion, he suggested that the Committee might wish to consider following up on some specific sectoral areas and formulating action proposals and policy recommendations based on the information provided in the report.

8. **Mr. Othman** (Joint Inspection Unit (JIU)) introduced three reports of the Joint Inspection Unit on the review of

financial resources allocated by the United Nations system to activities by non-governmental organizations, coordination of policy and programming frameworks for more effective development cooperation, and strengthening field representation of the United Nations system.

9. The first report (A/52/114) had been drafted in response to a suggestion from the Administrative Committee on Coordination (ACC) that the financial aspects of the relationship between non-governmental organizations and the United Nations system deserved exploration. The report expressed a general consensus that better accounting and reporting procedures were required in order to make the best use of declining resources, and it put forward recommendations on the use of funds allocated to such procedures. Transparent financial management procedures and a database on the activities of non-governmental organizations were also recommended. Currently, there were no separate budget lines for such activities, and the organizations should weigh the advantages and disadvantages of that practice. Financial support and training in management should be provided to non-governmental organizations, in view of the importance of capacity-building.

10. The fundamental question raised in the report on policy coordination (A/52/115) was how to rationalize the development cooperation strategies and tools of the donor community in each recipient country in order to produce more development dividends and facilitate the task of aid coordination and management by the host Government. The report found that, because all of the policy and programming frameworks of the donor community converged at the country level, they placed enormous pressure on the limited technical capacities of recipient countries. Thus, there was an urgent need for a single programming mechanism which could be shared with the wider donor community. The ACC comments contained in the document should, moreover, be read in the light of the Secretary-General's reform proposals.

11. In their report on strengthening field representation (A/52/457), the Inspectors recommended that the United Nations system should work towards the goal of designating a single United Nations official, the Resident Coordinator, to represent the United Nations family at the country level. Efforts to establish and enhance common premises and common services should also be intensified. By recommending a single United Nations official in the field, the Unit was not asking organizations to give up their distinctive roles, activities and advocacies. However, the first time that recommendation had been made was in General Assembly resolution 32/197 adopted in 1977, and 20 years later, calls for better coordination and harmonization were still being issued and the goal of consolidation seemed as far away as ever.

12. The Inspectors also recommended that the Secretary-General, in consultation with ACC, should designate a single high official within the Secretariat, preferably at the level of Deputy Secretary-General, to be in charge of the resident coordinator system. That official should be supported by a unit comprising staff currently responsible for operational activities. Moreover, to ensure ownership and teamwork, resident coordinators could eventually be jointly financed by all organizations.

13. The Committee should bear in mind that the Inspectors could make recommendations, but only Member States could take the decisions on matters of such importance.

14. **Mr. Kamando** (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, said that the Group of 77 strongly believed that, with adequate, predictable and regular funding, United Nations funds and programmes could play a unique and critical role in helping developing countries to manage their own development process. However, the current funding modality of core resources was not generating adequate resources to meet established targets. It was paradoxical to note as well that non-core resources were on the increase.

15. He underscored the need for a substantial increase in resources for United Nations operational activities for development on a predictable, continuous and assured basis. The fundamental characteristics of such activities, which should be maintained as new funding modalities evolved, were their universal and voluntary nature as well as their neutrality, multilateralism and ability to respond flexibly to the needs of the developing countries. Operational activities must be carried out at the request of the developing countries and in accordance within their policies and development priorities.

16. Recipient Governments had the primary responsibility for coordinating all types of external assistance. The Group of 77 and China welcomed the Secretary-General's reform proposals (A/51/950), in particular the renewed examination of funding modalities for operational activities for development. They viewed the proposal for a burden-sharing arrangement with caution and awaited more detailed information concerning that proposal and the recommendation that a new system of core resources consisting of voluntary contributions and negotiated pledges to be appropriated in multi-year tranches should be established. Those recommendations would have unexpected financial implications for most of the countries on whose behalf he was speaking, since they very often faced

difficulties in meeting their assessed contributions to the budgets of international organizations of which they were members.

17. The Group of 77 and China supported the proposal to establish a United Nations Development Group; however, the proposal that its Executive Committee should develop counterpart arrangements at the country level was unclear. Such arrangements might involve interference in the internal affairs of Member States, which had full responsibility for designating counterpart institutions at the country level. There was some merit to the proposal to have a single United Nations Development Assistance Framework with common objectives and time-frame. However, that innovation should be tried on a pilot basis to test its efficiency. Programme funds managed by each of the funds and programmes must retain their separate identities, and Governments of developing countries must be closely consulted in the planning and elaboration of country programmes under the new institutional measures.

18. The Group of 77 and China were surprised that the question of the pledging conference for operational activities for development had not been addressed in the Secretary-General's report. Before any decision was taken to abolish the pledging conference, an alternative mechanism for resource mobilization must be established. Appropriate measures should be adopted on that issue at the current session of the General Assembly.

19. Lastly, he underscored the difficulties which the delayed circulation of documents posed for delegations and expressed the hope that the Secretariat would expedite their distribution.

20. **Ms. Hall** (United States of America) said that United Nations funds and programmes played a pivotal role in fostering sustainable development the world over. Her Government was among the world's major contributors of official development assistance (ODA), and it shared the concerns expressed regarding the decline in core contributions to the funds and programmes and believed that the agencies should explore new ways to attract voluntary contributions to their core resources, including from such new sources as non-governmental organizations, corporations and private individuals. In order to maximize the impact of resources for operational activities for development, developing countries must ensure a supportive domestic policy environment for such activities. Her delegation supported the efforts of the United Nations to help developing countries promote good governance, including free elections, macroeconomic stabilization and the independence of the media as essential building blocks for sustainable development activities. Such activities leveraged limited resources and usefully exploited the comparative advantage of the United Nations.

21. Programmes of technical cooperation among developing countries (TCDC) provided them with a valuable opportunity to survey the wide range of experience in the international community and select development models best suited to their goals and needs. Responsibility for finding appropriate partners, determining methods of cooperation and establishing relevant, achievable goals rested with the developing countries. United Nations funds and programmes should continue to play a central role in facilitating TCDC.

22. Her Government strongly supported the provisions in General Assembly resolutions 50/120 and 50/227 with respect to the reform of operational activities. Operational agencies must deliver resources efficiently and effectively to those who needed them, and she welcomed the considerable progress to date towards the harmonization of budgets, programming and priority-setting among development agencies, as well as the gradual devolution of responsibility from Headquarters to the field. Her delegation also welcomed the efforts by the United Nations Capital Development Fund to refine its delivery of microcredit to those least able to access mainstream financing facilities. In conclusion, she reaffirmed her Government's longstanding support for the role of the United Nations in promoting sustainable development.

23. **Mr. Tchoulkov** (Russian Federation) said that his delegation welcomed the progress made by the fund's and programmes with respect to national capacity-building. Capacity-building was a key condition for the economic and social development of recipient countries and a prerequisite for the sustainability of operational activities. Good governance at the national and local levels and the active involvement of civil society in the development process were major elements of national capacity-building. He noted with satisfaction that, although the funds and programmes continued to attach priority to the needs of the poorest countries, they were also taking into account the interests of other groups of countries, including the countries with economies in transition.

24. The stagnation, and in some cases the reduction, in contributions to the core resources of the funds and programmes was a matter of serious concern, and his delegation supported the conclusion in Economic and Social Council resolution 1997/59 that voluntary contributions from official sources should remain the main source for the funding of operational activities. The level of such contributions should be maintained and possibly increased.

His delegation welcomed the efforts by United Nations funds and programmes to ensure the efficiency and quality of their activities in order to increase the confidence of donor countries, as well as their efforts to mobilize additional resources, including through cost-sharing arrangements and from non-governmental and private-sector sources. The implementation of management excellence reforms offered significant potential for improving the efficiency of operational activities.

25. His delegation on the whole welcomed the Secretary-General's proposal to establish a United Nations Development Group and to merge the country programmes of the funds and programmes into a single United Nations Development Assistance Framework, the establishment of single country offices and the strengthening of the resident coordinator system. The funds and programmes should preserve their individual identities when coordinating activities at the country level.

26. His delegation supported efforts to apply on a broader scale the mechanisms for enhanced economic and technical cooperation among developing countries. The decisions adopted at the tenth session of the High-level Committee on the Review of Technical Cooperation among Developing Countries would make it easier to maximize the potential of such cooperation in accordance with the principles laid down in the Buenos Aires Plan of Action for Promoting and Implementing Cooperation among Developing Countries and in the implementation of the strategy for new areas of such cooperation, including macroeconomic policy, trade, investment, debt management, improved employment opportunities, poverty eradication and environmental protection.

27. **Mr. Wilmot** (Ghana) expressed concern that core resources for United Nations funds and programmes were declining and that inadequate resources would compel the development agencies to stretch their originally planned three-year programmes into longer time-frames, thereby threatening the effective implementation of poverty eradication and other important programmes. Current estimates suggested that core resources for UNDP for 1997-1999 were likely to be under 70 per cent of the level required to ensure the effective implementation of projects.

28. His delegation endorsed the Secretary-General's recommendation on the establishment of a new system of core resources consisting of voluntary contributions and negotiated pledges to be appropriated in multi-year tranches. Although his delegation recognized the importance of non-core resources, including cost-sharing and non-traditional sources of financing, it agreed that core resources should remain the main source of funding of operational activities for development.

29. Economic and technical cooperation among developing countries was a valuable mechanism for optimizing the economic and technical capacities and collective self-reliance of the developing countries. He welcomed the fact that the Plan of Action adopted by the South-South Conference on Trade, Finance and Investment held at San José, Costa Rica, in January 1997 acknowledged the need to accord special attention to the critical situation in Africa, small island developing States and the least developed countries.

30. His delegation welcomed the new directions strategy adopted by the High-level Committee on the Review of Technical Cooperation among Developing Countries and was pleased to note that in implementation of that strategy the Special Unit for Technical Cooperation among Developing Countries had, *inter alia*, provided support for the Small Island Developing States Technical Assistance Programme, the follow-up to the United Nations Conference on Human Settlements (Habitat II) and the replication of successful poverty eradication experiences. He expressed his delegation's appreciation of the valuable contribution of United Nations agencies and those developed countries which had provided financial support for efforts to enhance TCDC and urged more donors, as well as regional and international financial institutions, to support triangular cooperation arrangements for that purpose. His delegation urged continued commitment by the developing countries to South-South cooperation in general in order to strengthen the capacity of national, regional and interregional bodies in the promotion of economic and technical cooperation among developing countries.

31. In conclusion, he expressed his delegation's dismay at the late distribution of document A/52/502 and urged the Secretariat to ensure that documents were distributed on time.

32. **Mr. Saguier Caballero** (Paraguay), speaking on behalf of the States members of the Rio Group, expressed concern that the fact that Latin America was considered a relatively developed region was being used as an argument to justify a decrease in the resources apportioned by the United Nations Development Programme (UNDP) to the region. The Rio Group supported the reforms suggested by the UNDP Administrator and welcomed with interest the Secretary-General's proposals to ensure improved coordination and the increased decentralization of decision-making with respect to operational activities for development. Increased resources were needed for those

activities and should be available on a predictable, continuous and assured basis, commensurate with the needs of the developing countries. Additional official development assistance was needed, as were new sources of financing for South-South cooperation and triangular arrangements. Cost-sharing was a useful instrument for development financing in Latin America. The dialogue between the United Nations system and the Bretton Woods institutions should be strengthened.

33. Governments must always retain the central role in coordinating and adapting cooperation to their national priorities. The national execution modality should be applied in a flexible manner.

34. Although an improved thematic focus for United Nations activities would maximize the resources available for international cooperation, it should not serve as a pretext for limiting financial assistance to certain fields or countries. Priority should be given to national capacity-building programmes.

35. He underscored the importance of technical and economic cooperation among developing countries and said that additional resources were needed in support of such cooperation from the United Nations system, international financial institutions and other public and private sources. South-South cooperation was a complement to, not a substitute for, North-South cooperation.

36. The Rio Group supported the results of the South-South Conference on Finance, Trade and Investment and the efforts to implement the Caracas Programme of Action on Economic Cooperation among Developing Countries. It also welcomed the results obtained by the Perez Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries and the convening of a South-South summit to be held in the near future.

37. Lastly, he expressed dissatisfaction that the Secretariat had not submitted a number of important documents in a timely fashion, a situation which limited the ability of delegations to participate meaningfully in the deliberations of the Committee.

38. **Mr. Chandavarkar** (United Nations Development Programme (UNDP)) said that UNDP shared the concern of delegations at the decline in core resources, which remained the bedrock of the Programme's funding structures. Although its non-core resources were now twice the volume of core resources, UNDP had been developing a long-term strategy to increase core resources based on three pillars: the first, which could not be over-emphasized, called for enhancing efficiency and transparency in operations so as to elicit greater contributions from existing major donors; the second involved encouraging successful developing countries to expand contributions through South-South cooperation and contributions to the core; and the third called for eliciting further contributions from programme countries themselves as their means permitted. UNDP also would seek closer financial partnerships with the private sector and civil society.

39. Efforts to increase the efficiency and effectiveness of operational activities would continue to be guided by General Assembly resolution 50/120 and its predecessors. The programme for reform presented by the Secretary-General (A/51/950) proposed bold new steps to ensure progress in the implementation of those resolutions. One proposal, calling for a United Nations Development Assistance Framework, was intended to serve as the United Nations response to the needs identified by those Governments which prepared country strategy notes, with a view to ensuring that the United Nations response was coherent, mutually reinforcing and effective. The country cooperation frameworks would ensure that the cross-cutting nature of both the country strategy note and the United Nations Development Assistance Framework was reflected in concrete programmes and projects. Within the Development Assistance Framework, the other funds and programmes would focus on their specific mandates while the country cooperation framework would serve as a unifying force in line with its more comprehensive mandate. Through its governance and capacity-building activities, UNDP would help strengthen national management and coordination capacity to assist countries to design enabling policy environments and ensure that the development which occurred was the kind they wanted.

40. The Secretary-General also proposed that the common premises of the United Nations at the country level should be focused in a "UN House" which would enjoy the country office network support, backed by central services at Headquarters geared to serving the needs of the United Nations system as a whole.

41. Although the commercial private sector and non-profit civil society provided a volume of investment and development activities which dwarfed the financial flows channelled through the United Nations, the vast majority of speakers in the plenary meetings of the General Assembly as well as in the Second Committee had reinforced the central role of the United Nations in development cooperation. UNDP, in collaborative partnership with other United Nations entities, would continue to focus the bulk of its core resources on the poorest countries and the poorest segments of the populations, with a view to enabling them

eventually to partake of the fruits of globalization and private investment from which they were now marginalized.

42. **Mr. Azaiez** (Tunisia) said that the last-minute issuance of documents under the agenda item was regrettable. His delegation supported the statement delivered by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China. The reform of operational activities for development should increase the coherence of United Nations activities and respond to the national priorities of beneficiary countries. In that connection, the key role of capacity-building in the achievement of sustainable development had been highlighted by both General Assembly resolution 50/120 and document E/1997/65. Capacity-building was also central to the follow-up activities of United Nations conferences, particularly the United Nations Conference on Environment and Development, the World Summit for Social Development and the United Nations Conference on Human Settlements (Habitat II).

43. General Assembly resolutions 50/120 and 50/227 stressed the importance of increasing resources for operational activities for development as part of the overall reform of United Nations development activities. Nonetheless, the General Assembly's efforts to find ways and means of increasing core resources had been fruitless. According to the report of the Secretary-General on funding modalities of operational activities (A/52/431) the current funding modality for core resources was not generating the contributions required to meet the established programme targets and new requirements arising from the recent cycle of United Nations conferences (A/52/431, para. 16). As the report indicated, political will was a major factor in the decision to contribute. His delegation hoped that by the 1988 triennial policy review, and in the context of current reform efforts, a solution would be found. The funds and programmes must be able to carry on their work in a spirit of neutrality and on a predictable and secure basis in accordance with the relevant General Assembly resolutions.

44. **Mr. Yuan Shaofu** (China) said that his delegation supported the comprehensive statement delivered by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China. Peace and development were the two major themes of the modern world and the two major tasks of the United Nations. His delegation attached great importance to the technical assistance which the United Nations had provided to developing countries over the years in order to accelerate their development and build their self-reliance. He stressed the continued importance of operational activities for development.

45. A major problem confronting the United Nations development system was the decline in financial resources for development and their lack of predictability. Yet stable and predictable development resources were a prerequisite for the successful reform of development activities. Traditional donors should demonstrate that they had the political will to support the Secretary-General's reform proposals. His delegation was concerned at the lack of substantive progress in the informal consultations held pursuant to General Assembly resolutions 48/162, 50/120 and 50/227 on the financing of operational activities.

46. His delegation supported the reform of the existing funding modalities. With regard to the Secretary-General's proposals, he said that core resources were fundamental to operational activities and must be absolutely guaranteed. Voluntary pledges from the developed countries must continue to be the primary source of future core resources. The purpose of negotiated pledges should be to correct the imbalance between developed countries that were able to pay but had not done so in full and those that had increased their contributions in recent years in order to equalize burden-sharing. Developing countries' share of the assessed contributions should not exceed five per cent. The local costs incurred by recipient countries for the resident offices of United Nations funds and programmes should be included as part of their assessed contributions. His delegation hoped that a consensus would be reached on the issue of new funding modalities during the current session of the General Assembly.

47. In a world of growing economic globalization and liberalization, TCDC and ECDC must cover all areas of economic life and be responsive to the national development strategies of developing countries. The initiative known as New Directions for Technical Cooperation among Developing Countries accurately reflected developing countries' aspirations and needs in the new era. His delegation hoped that its recommendations would be implemented. It also hoped to see tangible follow-up to the 1997 San José Declaration and Plan of Action, which gave political impetus to further South-South cooperation. The United Nations development system should play a more prominent role in South-South cooperation by enhancing its coordination with UNCTAD and the regional economic commissions with a view to promoting TCDC. The independent status of the Special Unit for Technical Cooperation among Developing Countries in UNDP must be preserved. The developed countries should increase their support for TCDC and ECDC through, *inter alia*, triangular cooperation.

48. **Mr. Jayanama** (Thailand), speaking on behalf of the States members of the Association of South-East Asian Nations (ASEAN) - Brunei Darussalam, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam - expressed his concern at the recent trends in the core and non-core resources of United Nations funds and programmes. The sharp decline in core resources and the increased reliance on non-core resources would jeopardize the multilateral, neutral and universal nature of development resources. In that connection, his delegation supported the Secretary-General's proposal to establish the Office for Development Financing for the mobilization of new and additional resources for development activities. It also welcomed the recommendation to establish a new system whose options included voluntary, negotiated and multi-year pledges. In its view, however, the funding modality should focus on core resources, and the concept of burden-sharing should be applied to traditional donors.

49. Referring to the importance of the private sector's contribution, he expressed support for the efforts of the funds and programmes, particularly UNDP, the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) to develop a comprehensive strategy for improving the situation of core resources, in accordance with General Assembly resolution 50/227. Political will and a firm commitment by the international community would be required in order to implement the strategy.

50. His delegation welcomed the JIU report on coordination of policy and programming frameworks for more effective development cooperation (A/52/115). It agreed, in particular, with its recommendation 5, on enhancing the role of country-level coordination committees, sectoral sub-committees and thematic working groups and task forces and its recommendation 6 on regional and subregional coordination, which would enhance the role of regional commissions by allowing them to exercise team leadership and responsibility for coordination at the regional level. His delegation agreed that the regional commissions should be the main development forum for reviewing and establishing linkages among the different sectoral and cross-sectoral regional programmes. In that connection, it welcomed the Secretary-General's proposal on the establishment of a United Nations Development Group in order to enhance policy coordination at the Headquarters level and the effectiveness of operational activities in the field. Certain aspects of it, however, such as the new resident coordinator system and the United Nations Development Assistance Framework, should be considered more closely during the triennial policy review.

51. His delegation took note of the report on the ninth session of UNCTAD. The operational aspect of South-South cooperation must be more fully implemented. That would require the commitment and active participation of Governments, multilateral organizations and non-governmental organizations. His delegation urged all parties concerned to implement the decisions adopted by the tenth High-level Committee on the Review of Technical Cooperation Among Developing Countries at its tenth meeting, including its decisions concerning the need for closer linkages between TCDC and ECDC and for triangular arrangements with the developed countries. He wished to commend Japan and the Republic of Korea for their provision of financial support to the South-South Cooperation Trust Fund.

52. ASEAN countries implemented TCDC and ECDC to advance regional development in human resources, public health, education, agriculture and population. The Association sponsored bilateral and third-party programmes to provide training, technical assistance and economic assistance to its less developed members. In the spirit of South-South cooperation and the recent South-South Conference on Trade Finance and Investment, ASEAN actively sought to cooperate with other regional groups such as the Rio Group, the Common Market of the Southern Core (MERCOSUR), the Gulf Cooperation Council and the Economic Cooperation Organization. Regional cooperation had also been enhanced as a result of the second Asia-Africa Forum, co-hosted by Thailand, Japan and UNDP in Bangkok in June 1997.

53. **Mr. Birouk** (Algeria) said that the decline in official development assistance reflected an absence of political will. As affirmed at the most recent substantive session of the Economic and Social Council, held in Geneva, the role of operational activities was to enable the countries of the South to assume responsibility for their own development. The funds and programmes were a major vehicle for the enhancement of international cooperation to that end. The failure to find a solution to the problem of funding could ultimately jeopardize the multilateral and universal character of United Nations development activities. The lack of progress in consultations on new funding modalities gave genuine cause for concern.

54. The absence of a report on the most recent substantive session of the Economic and Social Council was detrimental to many delegations and extremely regrettable.

55. The report of the Secretary-General on funding modalities (A/52/431) highlighted the political nature of the decline in the core resources of the funds and programmes, (with the exception of UNFPA). That trend was not consistent with the relevant resolutions of the General Assembly and the Economic and Social Council. It could call into question the cardinal principles underlying the financing of operational activities for development, namely, stability, predictability and neutrality.

56. The "harmonization" of policies on the allocation of core and other resources bypassed the real issue of the decline in official public development assistance. The resumption of the debate on a new strategy for financing operational activities for development but confirmed that the problem was political in nature. The debate, however, must not be a pretext for non-compliance with the relevant General Assembly resolutions, in particular resolutions 50/120 and 50/227. It was vital to introduce mechanisms for the mobilization of resources on the basis of prior consultations. However, reliance on assessed contributions would aggravate the financial burden of developing countries without necessarily generating a permanent, stable and secure flow of resources. Therefore, operational activities must continue to be financed primarily from voluntary pledges.

57. The funds and programmes must review their financing policies in order to be more responsive to the priorities of the beneficiary countries and ensure that their decisions were consistent with the relevant resolutions of the General Assembly and the Economic and Social Council. Under a burden-sharing arrangement, Algeria would contribute 50 per cent of the resources required to implement the programmes and projects from which it benefited. In that regard, he pointed out that the United Nations funds and programmes in Algeria were located in a building that the Government made available to the United Nations free of charge.

58. **Ms. Trone** (United Nations Population Fund (UNFPA)) said that UNFPA had achieved considerable progress in programme delivery at the country level. As a follow-up to the Cairo Programme of Action of the International Conference on Population and Development, the Fund had placed greater emphasis on building national capacities. In collaboration with national counterparts, it had attempted to identify and incorporate programme components that would enhance the technical, managerial and administrative aspects of programme delivery. That effort had been supported by a wide range of initiatives, including the utilization of the Technical Support System; the development of new partnerships with non-governmental organizations and other institutions; the matching of appropriate executing agencies, both national and international, to programme components; and the transfer of knowledge and skills through the South-South mechanism.

59. The Fund was revising its policies and guidelines in line with the outcomes of the global conferences of the 1990s and was streamlining its procedures. She hoped that those changes would improve the flow of information between UNFPA headquarters and field offices; provide greater coverage of programme activities; and improve its monitoring and oversight functions. It was also conducting studies on absorptive capacities; one such study was being generously supported by the Government of Denmark.

60. UNFPA had been actively involved in the inter-agency efforts of the Consultative Committee on Programme and Operational Questions (CCPOQ), the United Nations Secretariat and other bodies with regard to national execution and capacity-building in preparation for the triennial policy review of 1998. The Fund's programme operations had emphasized the importance of coordination in optimizing the impact of assistance to countries. In that context, it had supported and participated in various national coordination mechanisms, as well as inter-agency initiatives. It had also contributed to the initial Inter-agency Task Forces and other system-wide initiatives, including the Joint Consultative Group on Policy, the United Nations Development Group and the Administrative Committee on Coordination (ACC). UNFPA would analyse lessons learned in the review and appraisal of the Cairo Programme of Action, scheduled for 1999.

61. UNFPA fully supported the Secretary-General's reform efforts. In that context, it strongly supported the Resident Coordinator system and would actively seek to strengthen the system in order to ensure impartiality and the equal representation of all mandates and issues, particularly those deriving from the international conferences of the 1990s. The great majority of UNFPA country offices already shared common premises and, often, personnel and financial services, with UNDP and other organizations of the United Nations system. The Fund fully supported the principle of common services and premises and had worked with the United Nations Development Group to ensure that the concept was implemented in a business-like manner.

62. Lastly, UNFPA had undertaken an analysis of the consequences of the shortfall from intergovernmental agreed levels of financing, which it hoped would improve donors' understanding of the need for resources. The Fund was also working with its partners in an effort to find out how

operational activities could be funded on a sound and sustainable basis. Ultimately, the financing of development would be determined by the political will and commitment of Governments.

63. **Mr. Munguambe** (Mozambique) said that cooperation between the United Nations and the Southern African Development Community (SADC) exemplified the types of activities that could be undertaken in support of regional development. In that connection, his delegation supported the statements delivered by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China, and by the representative of South Africa on cooperation between the United Nations system and SADC. The many activities implemented pursuant to General Assembly resolution 50/118 were outlined in the report of the Secretary-General on cooperation between the United Nations and the Southern African Development Community (A/52/400).

64. He expressed his delegation's gratitude for the support provided to southern Africa, and particularly to Mozambique, within that framework. As a result, the countries of the region had been able to implement projects for regional economic integration. Nonetheless, they were still grappling with many problems, including widespread poverty, the menace of further drought as a result of the El Niño phenomenon and the presence of landmines. It looked forward to continued cooperation with the United Nations and its development partners in support of the SADC Programme of Action and the Community Building Programme, and to the promotion of southern Africa as a region of sustainable rapid growth.

65. The United Nations was the most universal and qualified organization to promote development activities, particularly in the developing countries. While recognizing the importance of private flows, his delegation believed that official development assistance continued to play a crucial role in that process. It hoped that the introduction of the proposed new system of funding core resources would reverse the situation described in the Secretary-General's report and that programme targets and the new requirements outlined in the report would be met.

66. **Mr. Vaher** (United Nations Children's Fund (UNICEF)) said that the United Nations reform process provided an unequalled opportunity to put the well-being of children in the forefront of United Nations activity. UNICEF was deeply engaged in the task of transforming the Secretary-General's vision into an operational reality. It was continuing its activities towards ensuring that children's special needs were taken into account, but its country programmes would come within the collaborative framework provided by the United Nations Development Assistance Framework. Indeed, UNICEF chaired the working group producing guidelines for the Development Assistance Framework and, since July 1997, six UNICEF staff had been nominated for coordinator posts.

67. With the full participation of UNICEF staff and the Executive Board, accountabilities and overall interrelationships between headquarters and country and regional offices had been clarified. Oversight of programmes had been streamlined, effective field management had been increased through the use of management teams, and new programme and financial management information systems were being implemented.

68. The areas of capacity-building and national execution would require increasing attention. While those issues had long been cornerstones of UNICEF programmes of cooperation, through Government and other national partnerships, there was more work to be done. As it continued to decentralize authority to the country offices, UNICEF would further integrate its programmes into domestic systems through partnership implementation. UNICEF was making every effort to ensure that its services and activities were sustainable in the long term using national resources, and to work for the enhancement and strengthening of national capacities.

69. UNICEF had also been collaborating closely with other United Nations partners and the Bretton Woods institutions and bilateral donors in the context of sectoral programmes, the preferred modality of development programming, particularly in the African least developed countries.

70. The continuing decline of ODA had tragic implications for the future of hundreds of millions of the world's children, 650 million of whom remained trapped in lives of poverty. The future of development programmes and the success of reform measures would require more continuous, assured and predictable flows of funding for the entities of the United Nations Development Group. There was also a need for greater burden sharing. In that area, UNICEF was pleased to have been able to draw on private sector fund-raising for more than 30 per cent of its income.

71. While more progress had been seen for children in the seven years since the World Summit for Children than in any other comparable period, 12 million young children still died every year of causes that were entirely preventable. Indeed, the vast majority of countries were unlikely to reach the Summit's goal of reducing deaths by one third by the year 2000.

72. The promotion of children's rights had also received increased attention, with areas requiring special protection of children such as the sexual exploitation of children and, the destruction of young lives by landmines becoming increasingly the subject of debate and action. Indeed, within a remarkably short time, human rights had risen to the top of the world agenda.

73. **Mr. Talbot** (Guyana) said that the needs of developing countries had increased while the resources available for the financing of development had declined, especially in the area of official development assistance. The recent upswing in private flows had done little to mitigate that decline in ODA. Guyana had increased its financial contribution to operational activities for development in 1997 by 10 per cent over that of 1996 and intended to sustain the current level of commitment in 1998. Many developing countries in similar circumstances had demonstrated their commitment to the work of the United Nations funds and programmes. What was required now was a more tangible demonstration of commitment by the nations that possessed the means to support the Organization's work in development.

74. Negotiations with respect to the critical issue of ODA had been at a virtual impasse in recent years. His delegation, however, remained hopeful that with the appropriate political will, some progress could be achieved. To that end, the international community should give positive consideration to the idea of returning to the levels of ODA prevailing before the United Nations Conference on Environment and Development within a specified time-frame, as an initial step towards fulfilling the commitment of 0.7 per cent of gross national product (GNP).

75. The United Nations, in cooperation with donor Governments and their aid agencies, as well as major news networks, should mount an information offensive to re-sensitize taxpayers to the critical role of development and to encourage their support for more realistic levels of assistance. Partnership between the United Nations funds and programmes and United Nations information centres should be utilized in furtherance of that objective. Broader segments of the population should be targeted. In that regard, the United Nations information centres located in developed countries, including five in the Group of Seven countries, could be used. At the national level, resident coordinators must be given greater flexibility for the mobilization of resources, including cost-sharing, in support of United Nations funded programmes. Guyana was currently experimenting with resource mobilization modules in order to maximize the impact of projects at the national level. Moreover, greater use must be made of the TCDC modality in the support of cooperation, taking advantage of its cost-effectiveness.

76. His delegation hoped that the General Assembly would be able to arrest the declining commitment to United Nations development activities and to promote realistic and measured progress towards the funding of operational activities in a manner commensurate with the growing needs of developing countries.

77. **Mr. Beti** (Observer for Switzerland) said that the main United Nations funds and programmes were currently facing a twofold challenge. They were constantly being called upon to perform new tasks, whereas the resources available to them had been stagnating or even declining over the past several years. At the same time, competition between various funds had increased sharply and had led to pointless duplication of efforts that the international community could simply not afford. It was vital to have greater coordination among the funds' donors in general, and in the United Nations system, in particular, to have the best possible results in terms of development. The situation of United Nations operational activities could be rectified provided that the reforms proposed by the Secretary-General in the area of development were adopted and put into effect with the necessary rigour.

78. In that regard, the upcoming triennial review of operational activities for development was of special importance. It would take stock of the results achieved in the last three years and provide a critical analysis of the strengths, weaknesses and comparative advantages of the United Nations system. His delegation looked forward to the assessment of the impact of operational activities on capacity-building in the beneficiary countries, as operational activities needed, more than ever before, to be able to rely on a broad and solid consensus in the international community.

79. One of the main drawbacks of the current system of pledges of annual contributions stemmed from the fact that their voluntary nature did not require donors to maintain or even increase such contributions from year to year. The fact that the bulk of voluntary contributions came from a small number of countries also constituted another major drawback. The international community should therefore ensure that there was continuity and predictability in contributions of core resources and a better distribution of the financial burden. Multi-bilateral contributions should serve to supplement the general resources of the funds and programmes but could not replace them. Switzerland would

continue to contribute to the financing of the core funds and programmes but within the context of burden sharing between traditional and new donor countries.

80. **Mr. Euy-taek Kim** (Republic of Korea) said that operational activities for development should be re-examined and improved to meet the challenges of a changing world economy. His Government, which believed that capacity-building should continue to be a major priority of United Nations operational activities, had promoted capacity-building in developing countries in its efforts to strengthen South-South cooperation. His delegation was concerned about the decline in ODA in recent years and the stagnation of operational activities for development and supported the international community's efforts to expand the core resource base for operational activities. It also shared the view that the United Nations should seek greater sponsorship from non-governmental sources for non-core resources, including the private sector. However, resources for development should be secured on a stable basis. There should be detailed and thorough discussions of new and innovative funding modalities, and any proposals submitted should enjoy the support of all States Members of the United Nations.

81. South-South cooperation, to which his Government attached considerable importance, had led to remarkable economic achievements, particularly in Asia and Latin America. In that connection, he hoped that a remedy could be found to the phenomenon of aid fatigue which seemed to have afflicted a significant number of traditional donor countries.

82. In implementing TCDC, special attention should be paid to the lack of financial resources to enhance and strengthen South-South cooperation. In that regard, the United Nations Development Programme's Voluntary Trust Fund for the Promotion of South-South Cooperation could serve as an important source of funding for TCDC activities. The Republic of Korea was currently implementing third-country training programmes with Singapore and Israel. Such cooperation between more advanced developing countries could be applied in a cost-effective way to South-South cooperation. In the light of the key role played by the private sector in his country's economic and social development, he believed that the participation of the private sector in TCDC activities should be encouraged. Moreover, South-South cooperation should also focus on the considerable potential for expanded trade and investment between developing countries.

83. The Republic of Korea stood ready to play an active role in South-South cooperation and wished to see the United Nations and other relevant international organizations continue to place a high priority on integrating TCDC modalities into their operational activities for development.

84. **Ms. Espinoza Madrid** (Honduras) said that democracy and absolute poverty could not coexist. The work of non-governmental organizations in alleviating poverty was crucial to the building of a fair and stable society. In that regard, the documents entitled "Coordination of policy and programming frameworks for more effective development cooperation" and "Review of financial resources allocated by the United Nations system to activities by non-governmental organizations" rightly stressed that in the institutional framework in which the United Nations operated, and given the well-known financial constraints, the role played by non-governmental organizations was essential.

85. Her delegation fully supported the recognition in the documents of the importance of ensuring that the substantial increase in financial resources for cooperation between non-governmental organizations and the United Nations was used as efficiently as possible. Her Government supported the importance of extending cooperation with non-governmental organizations beyond the financial sphere. In particular, Honduras recognized the advantage of working with national non-governmental organizations, since their knowledge of the local situation helped to shape activities that would lead to stronger social and economic development.

86. The Organization must work towards achieving the most efficient use of resources in cooperation with non-governmental organizations, as a matter of priority. Indeed, the United Nations would have to cooperate very closely with actors in civil society, especially through non-governmental organizations, if it was to achieve its goals of poverty eradication within the context of sustainable development.

87. **Mr. Rahamatallah** (Sudan) said that his delegation, like other delegations, was extremely concerned about the fact that documents were made available to delegations only on the day when specific agenda items were to be discussed. The Secretariat should take steps to remedy that unacceptable situation.

88. **Mr. Wardhana** (Indonesia), referring to operative paragraph 3 of decision 10/2 of the High-level Committee on the Review of Technical Cooperation among Developing Countries, wondered when the recommendations on the guidelines for the review of policies and procedures concerning technical cooperation among developing countries were going to be available.

89. **Ms. Kelley** (Secretary of the Committee) said that the guidelines would be on the agenda of the resumed session of the Economic and Social Council in December 1997.

The meeting rose at 1.05 p.m.